



KAISER•HILL
COMPANY

April 3, 1998

VIA TELECOPY AND MAIL

(303) 759-5355

TRANSMITTING TWO PAGES

Joe Schieffelin, Unit Leader
Permits and Compliance Unit
Federal Facilities Program
Colorado Department of Public Health
and the Environment
4300 Cherry Creek Drive So., B-2
Denver, CO 80222-1530

Dear Mr. Schieffelin:

This letter is to set forth the agreements we have reached regarding the below described issues.

A. 1997 Tank Management Plan

The Tank Management Plan will be revised as follows.

1. The Solar Ponds Clarifier Tank. The scheduled RCRA stable commitment will be changed from March 31, 1998 to August 25, 1998, and a new commitment will be added to dismantle the tank by June 30, 1999. "Dismantling" the tank means to take it and the building surrounding it apart, cut up the tank, package the resultant waste, and store the waste appropriately. There will be, as discussed, a delay in the work between the tank's becoming RCRA stable and the dismantling work beginning. During this period, the tank will be partially filled with water for radiological protection purposes. If the dismantled tank constitutes mixed waste, inspection requirements will be agreed to when the waste is transferred to a permitted unit.

2. Buildings 444/447 and Southwest Portion of RCRA Unit #40. The scheduled RCRA closure dates of June 30, 1998 and October 31, 1998, respectively, are deleted and replaced with the following commitment. Funds totaling \$400,000 will be used to prepare and ship low level waste (LLW) or low level mixed waste (LLM) off-site this fiscal year in an amount over and above the current baseline targets of 2,945 cubic meters of LLW and 4,094

Kaiser-Hill Company, L.L.C.

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cubic meters of LLM. The \$400,000 includes packaging, certification, transportation and disposal costs. Additionally, Kaiser-Hill will cause interim status tanks 40.04 and 40.05 in Building 444 to be integrity tested on a periodic basis. You have suggested testing the tanks every two years beginning in fiscal year 1999. We have conceptually agreed to conduct the tests, and John Wrapp is now in the process of discussing the issue with the appropriate engineers. By next week, Mr. Wrapp should be able to advise Mr. James Hindman of the results of those discussions and reach an agreement with him on that issue.

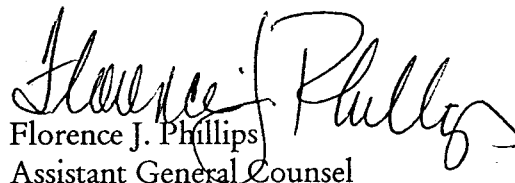
B. Building 123

The rinsate analytical results from sump 157 in Building 123 reveal nickel at 111 ug/L, whereas the RFCA Tier 2 action level for nickel is 100 ppb. We have agreed this sump shall be considered clean closed inasmuch RCRA does not regulate nickel.

The rinsate analytical results from sump 125 in Building 123 reveal lead at 56 ug/L, and the RFCA Tier 2 action level for lead is 15 ppb. The rinsate sample analytical results for the underground pipe at Building 123, which is a portion of RCRA unit 40, reveal chromium at 588 ug/L and lead at 21.7 ppb. The RFCA Tier 2 action levels for these two constituents are 100 ppb and 15 ppb, respectively. We have agreed any further requirements for sump 125 and the underground pipe will be deferred to environmental restoration. Furthermore, we have agreed to initiate discussions about deferral requirements.

If the foregoing does not accord with your understanding of our agreements, please call me immediately at 966-3722 so we may resolve our differences. If you do not notify me in writing otherwise by the close of business today, April 3, 1998, I will assume this letter accurately sets forth our understanding, and Mr. Wrapp will proceed with revising the 1997 Tank Management Plan.

Sincerely,


Florence J. Phillips
Assistant General Counsel

cc: Rick DiSalvo, Esq.
Mr. Dave Shelton
Mr. John Wrapp

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